

PROCESS ANALYSIS & REDESIGN

Purpose

Once a process has been mapped it must be analysed for improvement opportunities.

When to Use it

When the team understands the current process and is ready to make improvements to it.

How to Use it

1. Classify Activities:

Activities can initially be classified into Primary and Secondary activities.

Primary activities are those that contribute directly to providing a service or product to a customer, such as signing checks, taking an order or answering a sales query.

Secondary activities are those that internally support the primary activities, such as correcting system errors, training staff or reconciling accounts.

These activities can then be further classified into **value adding** and **non-value adding** activities. The value of a step is its value to the customer. The questions below help determine whether an activity is value or non value adding. For Primary activities the customer is the external customer. For Secondary activities the customer is the internal customer or the user of the output of that activity.

Value adding answer

Would the customer notice a loss in quality or service level if this activity were missing? **Yes**

Would the customer be prepared to skip this activity if it meant a price reduction? **No**

If this activity is a checking activity, does it detect many faults? **Yes**

In an emergency, could this activity be skipped? **No**

If the answer to any question is different to the value adding answer then the activity is **non value adding** and should be eliminated if possible.

2. Reduce Complexity

Complexity often arises because of the number of branches in a process. These are usually associated with decision points. The more branches the greater the potential for delays, rework and checking as well as communication and decision making difficulties. A complex process is usually a sign that the input is highly variable or that the process is trying to do too much in one sequence. Efficient processes have minimal complexity. Reduce linkages. Linkages in a process are the points where responsibility for the process changes hands. The higher the number of linkages the more potential for wasted time, errors, poor communication and the need for greater coordination and supervision. In an efficient process, one person should be responsible. Count the number of linkages or points where responsibility changes.

3. Eliminate, combine or speed-up activities

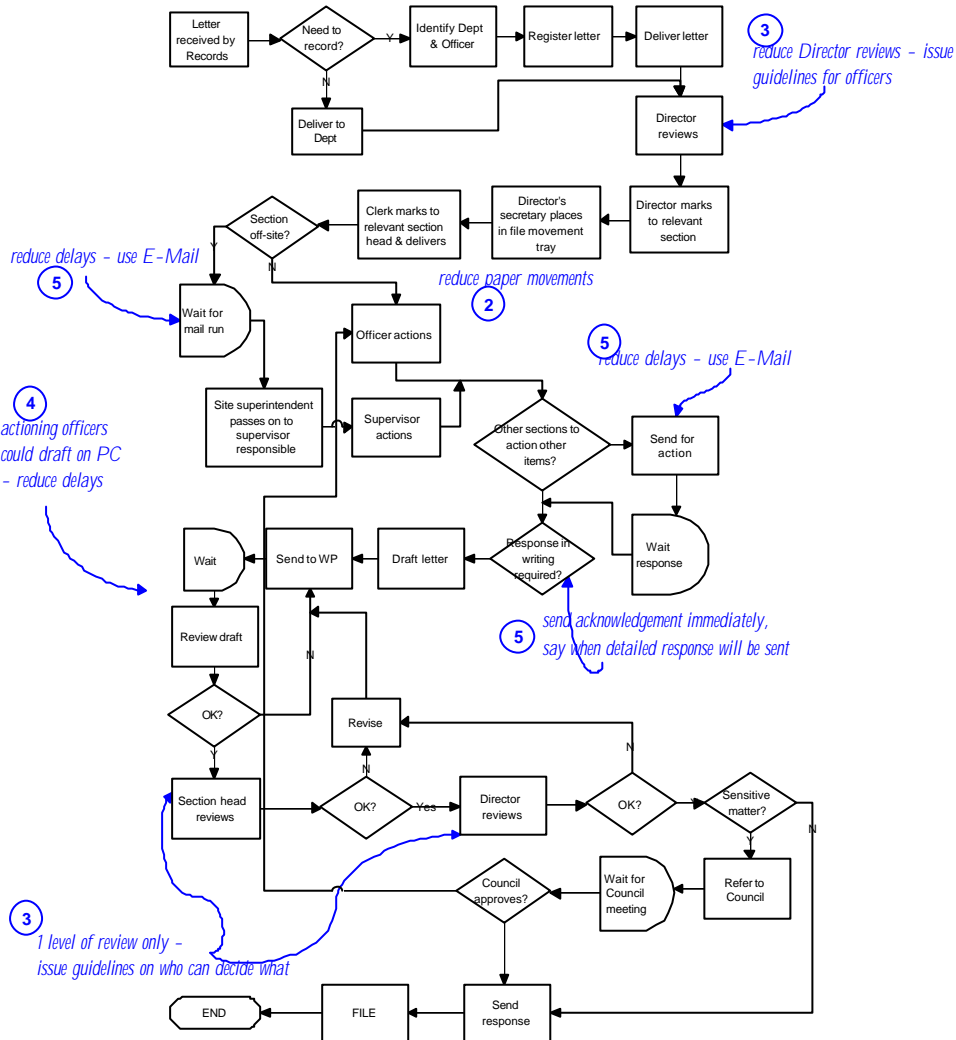
From the process map and the data collected about it, identify opportunities for improvement:

- eliminate all non value adding steps from primary or secondary activities
- minimise secondary activities
- eliminate any delays in the process.
- eliminate rework loops from the process.
- minimise long cycle times or build ups of product or paperwork.
- minimise queuing so that a smooth flow exists.

4. Set priorities for Improvement Opportunities

Rank opportunities for improvement. Criteria for ranking could include for example potential for improvement, ease of implementation and impact on the customer. This priority list forms the basis for an improvement plan.

BEFORE



Data

Annual volume 9,000 items
 Monthly variation 600 to 950 items
 Customers' perceptions 22% unsatisfactory
 Correspondence response times:
 27% < 1 week
 47% 1 to 3 weeks
 26% more than 3 weeks

Causes of delays:

39% held up by other staff
 17% sent to wrong person
 14% sender late
 10% wrong file
 8% file elsewhere

AFTER

